

House File 359 - Introduced

HOUSE FILE 359

BY ISENHART, WITTNEBEN,
HUNTER, WINCKLER, and
KAJTAZOVIC

A BILL FOR

1 An Act relating to the public financing for elections to the
2 general assembly, establishing spending limits, making
3 penalties applicable, providing an appropriation and
4 an income tax exemption, and including effective date
5 provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 68A.801 Public financing for
2 elections to the Iowa house and senate.

3 1. A candidate for election to the Iowa senate or house
4 of representatives may, subject to the availability of funds,
5 receive equal matching funds from the fair elections fund. The
6 match shall equal the sum of all contributions by individuals,
7 up to one hundred dollars per individual per election campaign
8 period. Funding is available for both the primary and general
9 election campaign period.

10 a. The maximum amount that can be matched for each election
11 period is ten thousand dollars for a candidate for the house of
12 representatives and fifteen thousand dollars for the senate.

13 b. The primary election campaign period is the period
14 beginning ninety days before the primary election and ending
15 on the day before the primary election. The general election
16 campaign period is the period beginning the day after the
17 primary election and ending on the day before the general
18 election.

19 2. The amount that can be matched does not include the
20 monetary value of in-kind contributions.

21 3. A candidate is eligible for matching funds for
22 contributions received by the candidate or candidate's
23 committee during the primary election campaign period and
24 October 14 prior to the general election.

25 4. Matching funds may be prorated if sufficient funds are
26 not available.

27 Sec. 2. NEW SECTION. 68A.802 Qualifications.

28 1. A candidate for the house of representatives is eligible
29 for matching funds from the fair elections fund for the
30 primary election campaign period, if opposed, and the general
31 election campaign period, if opposed, when the candidate or
32 the candidate's committee has received, during either period,
33 cash contributions of at least five dollars from one hundred
34 fifty or more identified electors who are not related to the
35 candidate within the third degree of consanguinity or affinity

1 and who reside in the district in which the candidate stands
2 for election.

3 2. A candidate for the senate is eligible for matching funds
4 from the fair elections fund for the primary election campaign
5 period, if opposed, and the general election campaign period,
6 if opposed, when the candidate or the candidate's committee has
7 received, during either period, cash contributions of at least
8 five dollars from two hundred twenty-five or more identified
9 electors who are not related to the candidate within the third
10 degree of consanguinity or affinity and who reside in the
11 district in which the candidate stands for election.

12 Sec. 3. NEW SECTION. 68A.803 Restrictions on campaign fund
13 use.

14 A candidate for the general assembly receiving matching
15 funds from the fair elections fund is subject to the following
16 restrictions:

17 1. All campaign funds shall be expended directly by
18 the candidate or the candidate's committee and may not be
19 forwarded to a political committee or candidate's committee of
20 a different candidate.

21 2. A candidate shall not use any campaign funds or
22 in-kind contributions on a communication that refers directly
23 or indirectly to the candidate's opponent, unless that
24 communication is in response to a communication made by the
25 candidate's opponent or made by an independent expenditure that
26 refers directly or indirectly to the candidate receiving public
27 support.

28 3. a. Candidates receiving matching funds are limited to
29 spending limits of thirty thousand dollars for each of the
30 primary and general election campaign periods for an election
31 to the house of representatives and forty-five thousand dollars
32 for each of the primary and general election campaign periods
33 for an election to the senate. The spending limit includes the
34 monetary value of in-kind contributions.

35 b. A candidate who is opposed by a person or political

1 committee making an independent expenditure may spend amounts
2 exceeding the limit equal to two times the independent
3 expenditures as reported to the board. Funds used to respond
4 to independent expenditures may be received from any source
5 authorized by law.

6 Sec. 4. NEW SECTION. 68A.804 Iowa fair elections fund —
7 nature and purposes.

8 1. An Iowa fair elections fund is established as a separate
9 fund within the office of the state treasurer, under the
10 control of the board, for the following purposes:

11 a. Providing financing for the election campaigns of
12 eligible candidates to the general assembly during primary
13 election and general election campaign periods.

14 b. Paying for the administrative and enforcement costs of
15 the board in relation to this subchapter.

16 2. a. The fund shall consist of moneys received pursuant
17 to section 68A.805 and moneys appropriated by the general
18 assembly. Notwithstanding section 8.33, unencumbered or
19 unobligated moneys credited to the fund and, notwithstanding
20 section 12C.7, any interest earned on moneys in the fund, as of
21 June 30 of any fiscal year shall not revert to the general fund
22 of the state but shall remain in the fund and be available for
23 expenditure in subsequent years.

24 b. Moneys in the fund are appropriated to the board for the
25 purposes of subsection 1.

26 Sec. 5. NEW SECTION. 68A.805 Funding — Iowa fair elections
27 fund.

28 In addition to any moneys appropriated by the general
29 assembly to the Iowa clean elections fund established in
30 section 68A.804, the following moneys shall be deposited in the
31 fund:

32 1. Civil penalties levied by the board against candidates
33 for violations of this subchapter.

34 2. Voluntary donations made directly to the fund.

35 3. Any other sources of revenue designated by the general

1 assembly.

2 Sec. 6. NEW SECTION. 68A.806 Powers and procedures.

3 The board shall have the following powers and procedures in
4 addition to those granted in this chapter and chapter 68B when
5 administering this subchapter:

6 1. After every primary and general election, the board
7 may conduct random audits and investigations to ensure
8 compliance with this subchapter. The subjects of audits and
9 investigations shall be selected on the basis of impartial
10 criteria established by rule.

11 2. The board may investigate anonymous complaints. The
12 identity of a complainant may be kept confidential if the
13 complainant states in the complaint that revealing the identity
14 of the complainant could reasonably result in disciplinary
15 action or loss of employment.

16 3. The board may levy civil penalties for violations of
17 this subchapter. Civil penalties levied and collected shall be
18 deposited in the Iowa fair elections fund.

19 4. The board shall adopt rules pursuant to chapter 17A as
20 necessary to administer this subchapter.

21 Sec. 7. Section 422.7, Code 2011, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 54. Subtract, to the extent not otherwise
24 excluded, up to fifty percent of the amount contributed to the
25 fair elections fund pursuant to section 68A.804. The exemption
26 is limited to one hundred dollars per individual return and two
27 hundred dollars per joint return. The contribution to the fair
28 elections fund, for which the exemption is claimed, may be made
29 at the same time the tax return is filed.

30 Sec. 8. Section 422.35, Code 2011, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 25. Subtract, to the extent not otherwise
33 excluded, up to fifty percent of the amount contributed to the
34 fair elections fund pursuant to section 68A.804. The exemption
35 is limited to five hundred dollars on corporate returns.

1 The contribution to the fair elections fund, for which the
2 exemption is claimed, may be made at the same time the tax
3 return is filed.

4 Sec. 9. APPROPRIATION.

5 1. There is appropriated from the general fund of the state
6 to the Iowa ethics and campaign disclosure board for deposit in
7 the Iowa fair elections fund for the fiscal year beginning July
8 1, 2012, and ending June 30, 2013, the following amount, to be
9 used for the purposes set out in section 68A.804:

10 \$ 2,000,000

11 2. It is the intent of the general assembly that, in
12 subsequent fiscal years, there be appropriated funds sufficient
13 to restore the fund to \$4,000,000 on January 1 in fiscal years
14 in which a primary election is held and to restore the fund to
15 \$2,000,000 on July 1 in years in which a general election is
16 held.

17 Sec. 10. EFFECTIVE DATE. This Act takes effect July 1,
18 2012.

19 EXPLANATION

20 This bill provides for public funding for legislative
21 election campaigns. The bill provides a dollar-for-dollar
22 state match of individual contributions made by electors
23 residing in the candidate's district. Funding is available
24 for both the primary and general election. The maximum amount
25 that can be matched for each election period is \$10,000 for a
26 candidate for the house of representatives and \$15,000 for the
27 senate.

28 To be eligible for funding, a candidate for the house of
29 representatives must receive, during the campaign period, cash
30 contributions of at least \$5 from 150 or more identified,
31 unrelated electors who live in the district. A candidate for
32 the senate must receive \$5 from 300 unrelated electors.

33 The bill places restrictions on expenditure of campaign
34 funds. All campaign funds must be expended directly by
35 the candidate or the candidate's committee and may not be

1 forwarded to a political committee or candidate's committee of
2 a different candidate. A candidate cannot use any campaign
3 funds or in-kind contributions on a communication that refers
4 directly or indirectly to the candidate's opponent, unless
5 that communication is in response to a communication made by
6 the candidate's opponent or made pursuant to an independent
7 expenditure.

8 Candidates receiving matching funds are limited to
9 spending limits of \$30,000 for each of the primary and general
10 election campaign periods for an election to the house of
11 representatives and \$45,000 for each of the primary and general
12 election campaign periods for an election to the senate.

13 As provided in Code section 68A.701, a willful violation
14 of any provision of the campaign finance chapter is a serious
15 misdemeanor punishable by confinement for not more than one
16 year and a fine of at least \$315 but not more than \$1,875. A
17 variety of civil remedies are also available in Code section
18 68B.32D for a violation of Code chapter 68A or rules of the
19 ethics and campaign disclosure board, ranging from a reprimand
20 to a civil penalty of not more than \$2,000.

21 The bill creates an Iowa fair elections fund, controlled
22 by the Iowa ethics and campaign disclosure board. The bill
23 establishes a separate, nonreverting fund in the state treasury
24 for the Iowa fair elections fund, and provides sources of
25 revenue.

26 The bill creates an individual and corporate tax exemption
27 for contributions to the fund.

28 The bill appropriates \$2 million in FY 2012-2013 to the
29 Iowa fair elections fund. For subsequent fiscal years, the
30 bill provides that it is the intent of the general assembly to
31 appropriate sufficient funds to restore the fund to \$4 million
32 on January 1 in years in which a primary election is held and
33 to restore the fund to \$2 million on July 1 in years in which a
34 general election is held.

35 The bill has an effective date of July 1, 2012.